GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:737
ANSWERED ON:04.03.2005
OPENING UP OF PENSION FUNDS TO PRIVATE OPERATORS QUESTION
Badiga Shri Ramakrishna

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to open up pension funds to private operators;

(b) if so, the reasons therefor and guidelines drawn in this regard; and

(c) the steps taken to protect the pension funds and safeguard the interests of pensioners?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (b): Yes, Sir. The Government proposes to open up pension funds to competing operators, including private operators. These pension funds would be regulated by the Pension Fund Regulatory and Development Authority.

(c): A number of measures are envisaged in the legal framework for safety of the funds, including, inter-alia, penalties of upto Rs. 25 crore and/or imprisonment upto ten years for non-compliance with the regulatory provisions.